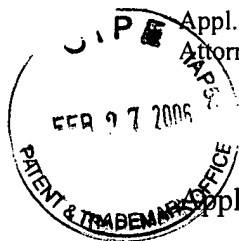


PATENT  
Appl. No. 09/936,882  
Attorney Docket No. 450126-04025



**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicant : Ken KUTARAGI et al.  
Appl. No. : 09/936,882  
Filed : February 21, 2002  
Title : FLEXIBLE LICENSE PAYMENT METHOD FOR ELECTRONIC  
COMMERCE SYSTEM  
Art Unit : 3625  
Examiner : POND, Robert M.

745 Fifth Avenue  
New York, NY 10151

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A handwritten signature in dark ink, appearing to read "Leeanne Lawlor".

(Typed or printed name of person mailing paper or fee)

Leeanne Lawlor

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**PRE-APPEAL BRIEF REQUEST FOR REVIEW**

Mail Stop Appeal Brief-Patents  
Commissioner For Patents  
P.O. Box 1450  
Alexandria, VA 22313

Sir:

Applicant requests a Pre-Appeal Brief Conference for review of the Final Rejection dated  
October 25, 2005 in the above-captioned application, in accordance with the July 12, 2005  
Notice in the USPTO Official Gazette. No amendments are being filed with this request. This  
request is being filed with a Notice of Appeal. Please consider the reasons stated herein.

## **REASONS FOR REQUEST**

Applicant requests a pre-appeal brief conference to review the rejection of:

- 1) claims 1-17, 20-24, 34-37, 40-43, and 46 under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 4,528,643 to Freeny, Jr. (hereinafter referred to as “Freeny”) in view of Official Notice (regarding old and well-known in the arts, hereinafter referred to as “ON3”);
- 2) claims 18 and 19 under 35 U.S.C. §103(a) as being unpatentable over Freeny and ON3, as applied to claim 17, further in view of Official Notice (admitted prior art regarding well within the skill, hereinafter referred to as “ON1”);
- 3) claims 25-33 under 35 U.S.C. §103(a) as being unpatentable over Freeny in view of ON3, further in view of Rembert (U.S. Patent 5,101,352);
- 4) claims 38, 44, and 47-52 under 35 U.S.C. §103(a) as being unpatentable over Freeny in view of ON3, further in view of Official Notice (admitted prior art regarding old and well-known, hereinafter referred to as “ON2”); and
- 5) claims 39 and 45 under 35 U.S.C. §103(a) as being unpatentable over Freeny, ON3, and ON2, as applied to claims 38 and 44, further in view of Rembert.

## **FACTUAL BASIS**

Independent claims 1, 9, 16, 20, and 22-24 were amended in Applicant’s August 18, 2005 reply to the Office Action dated May 19, 2005. As amended, the computer network system for managing the distribution of an article, as presented in claim 1, includes:

an order accepting process system accepting an order for the article from a purchaser; and

a consideration determining process system functionally coupled to the order accepting process system and determining a value added

consideration due to a value added provider of the article, based on information related to the accepted order,

wherein the article has been manufactured prior to the acceptance of the order.

(emphasis added)

Accordingly, in one aspect, the system of claim 1 includes the limitation that the article (for distribution) be manufactured prior to the acceptance of an order (for the article). In the October 25, 2005 Final Office Action, it was indicated, “though Freeny . . . does not specifically disclose . . . the article being manufactured prior to the acceptance of the order . . . it is old and well-known in the art of retailing to provide pre-manufactured items at point-of-sale terminals to increase compulsive sales.” *Final Office Action, page 7*. It was further indicated, “[o]ne of ordinary skill in the art would ascertain that the invention of Freeny can easily be used by the retailer to pre-manufacture a CD or tape using the same system of Freeny to stock a limited supply of items most commonly requested by customers prior to consumer purchase. Therefore, it would have been obvious . . . to modify the system and method of Freeny to pre-manufacture items prior to consumer purchase as taught by ON3, in order to increase compulsive sales due to compulsive shoppers.” *October 25, 2005 Final Office Action, page 7*.

### **ARGUMENTS**

#### **The §103 Rejections Should be Withdrawn Because Amended Claim Feature is Not Disclosed, Taught or Suggested in the Reference**

Applicant’s arguments in support of patentability of amended independent claims 1, 9, 16, 20, and 22-24 are found in the reply filed August 18, 2005 at pages 22-23. In summary, the present application claims a system for managing the distribution of an article, wherein the article has been manufactured prior to the acceptance of the order. (emphasis added)

In the October 25, 2005 Final Office Action, it was argued that Freeny in view of ON3 renders obvious the underlined limitation. *See Final Office Action, page 7.* However, no portion of Freeny is cited to suggest, nor does Freeny teach or disclose, pre-manufacturing or pre-stocking articles for sale at point-of-sale locations. This would go directly against Freeny's aim; namely, to decrease inventory and distribution costs associated with prior art article distribution systems, by requiring owner authorization of sale prior to article manufacture. *See Freeny, col. 4, lines 8-17.*

Indeed, Freeny teaches away from stocking even a limited supply of pre-manufactured items, because of the configuration costs associated with determining which and how many items to stock at the point-of-sale location. *See Freeny, col. 2, lines 16-24.* Instead, Freeny provides "a means for reproducing or manufacturing material objects at point of sale locations only with the permission of the owner of the information . . ." and "solves the problems associated with manufacturing, inventory, configuration, distribution and collection previously discussed . . . ." *Freeny, col. 4, lines 8-17 (emphasis added).*

It is further indicated that Freeny in view of ON3 would suggest a vending machine approach of stocking a few previously manufactured items are pre-stocked in the machine for sale. *Final Office Action, page 7.* However, Freeny discourages this approach, by recognizing, "the material objects still are manufactured and shipped or transported to the point of sale locations." *Freeny, col. 3, lines 56-61.* Pre-manufacturing leads to increased manufacturing and distribution costs, teaching directly against Freeny's aim of reducing such costs. Therefore, Freeny and ON3, individually or in combination, fail to teach or suggest a system for managing the distribution of an article, wherein the article has been manufactured prior to the acceptance of

the order. Therefore, Freeny in view of ON3 fails to teach or suggest all the limitations recited in claim 1.

Based on the foregoing discussion, it is submitted that claim 1 should be allowable over Freeny and ON3. Since independent claims 9, 16, and 20, 22-24, 25 and 29 closely parallel claim 1, claims 9, 16, 20, and 22-24 should be allowable over Freeny and ON3. Similar arguments apply to independent claims 34, 40 and 46. Thus, these claims should be allowable over Freeny and ON3. Since claims 2-8, 10-15, 17, 21 and 41-43 depend from one of claims 1, 9, 16, and 20, claims 2-8, 10-15, and 21 and 41-43 should be allowable over Freeny and ON3. Since claims 35-37 depend from claim 34, claims 35-37 should also be allowable over Freeny and ON3.

Independent claims 25 and 29 parallel and are amended similarly to claim 1, and based on the discussion regarding claim 1, should be allowable over Freeny and ON3. Rembert is merely cited for additional limitations, found in claims 25 and/or 29, but fails to disclose pre-manufacturing an article prior to acceptance of the order. Thus, based on the discussion regarding claim 1, claims 25 and 29 should be allowable over Freeny and ON3.


Based on the foregoing discussion regarding the independent claims, and since claims 18, 19, 26-28, 30-33, 38, 39, 44, 45, and 47-52 depend from one of claims 1, 16, 25, 29, 34, and 46, these dependent claims should be allowable over Freeny and ON3. The remaining references were cited for additional limitations present in the foregoing dependent claims. Yet these references fail to disclose or teach of all the limitations of the independent claims as previously discussed from which claims 18, 19, 26-28, 30-33, 38, 39, 44, 45, and 47-52 depend. Thus, through their dependence, claims 18, 19, 26-28, 30-33, 38, 39, 44, 45, and 47-52 should be allowable over the cited references.

Accordingly, it is submitted that claims 1-52 in this application are patentable over the cited references. Accordingly, Applicant respectfully requests the allowance of claims 1-52 and issuance of the present application.

Please charge any fees or credit any overpayment by reason of the presentation of this paper to Deposit Account No. 50-0320.

Respectfully submitted,

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